

## Community resources

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*courage is contagious*

## Viewing cable 09MANAGUA599, ORTEGA RESPONDS TO MCC CANCELLATION

If you are new to these pages, please read an introduction on the [structure of a cable](#) as well as how to [discuss them](#) with others. See also the [FAQs](#)

### Understanding cables

Every cable message consists of three parts:

- The top box shows each cables unique reference number, when and by whom it originally was sent, and what its initial classification was.
- The middle box contains the header information that is associated with the cable. It includes information about the receiver(s) as well as a general subject.
- The bottom box presents the body of the cable. The opening can contain a more specific subject, references to other cables ([browse by origin](#) to find them) or additional comment. This is followed by the main contents of the cable: a summary, a collection of specific topics and a comment section.

To understand the justification used for the classification of each cable, please use this [WikiSource](#) article as reference.

### Discussing cables

If you find meaningful or important information in a cable, please link directly to its unique reference number. Linking to a specific paragraph in the body of a cable is also possible by copying the appropriate link (to be found at the paragraph symbol). Please mark messages for social networking services like Twitter with the hash tags **#cablegate** and a hash containing the reference ID e.g. **#09MANAGUA599**.

Reference ID	Created	Released	Classification	Origin
<a href="#">09MANAGUA599</a>	<a href="#">2009-06-16 22:15</a>	<a href="#">2011-08-30 01:44</a>	<a href="#">CONFIDENTIAL</a>	<a href="#">Embassy Managua</a>

Appears in these articles:

<http://www.nacion.com/2011-05-30/Mundo/NotasSecundarias/Mundo2758456.aspx>  
<http://www.nacion.com/2011-05-30/Mundo/NotasSecundarias/Mundo2758467.aspx>  
<http://www.nacion.com/2011-05-30/Mundo/NotasSecundarias/Mundo2758468.aspx>  
<http://www.nacion.com/2011-05-30/Mundo/NotasSecundarias/Mundo2758464.aspx>  
<http://www.confidencial.com.ni/articulo/4103/la-embusa-y-el-gabinete-de-ortega>  
<http://www.confidencial.com.ni/articulo/4104/d-rsquo-escoto-en-onu-ldquo-un-desafio-de-ortega-a-ee-uu-rdquo>  
<http://www.confidencial.com.ni/articulo/4102/estrada-y-la-ldquo-doble-cara-rdquo-ante-ee-uu>  
<http://www.confidencial.com.ni/articulo/3966/la-ldquo-injerencia-rdquo-de-ee-uu-en-el-2006>  
<http://www.nacion.com/2011-05-23/Mundo/Relacionados/Mundo2758764.aspx>  
<http://www.nacion.com/2011-05-23/Mundo/NotaPrincipal/Mundo2758753.aspx>  
<http://www.confidencial.com.ni/articulo/4041/millones-de-dolares-sin-control-y-a-discrecion>  
<http://www.confidencial.com.ni/articulo/4040/la-ldquo-injerencia-rdquo-de-venezuela-en-2006>  
<http://www.confidencial.com.ni/articulo/4047/rodrigo-barreto-enviado-de-ldquo-vacaciones-rdquo>  
<http://www.nacion.com/2011-05-16/Mundo/NotasSecundarias/Mundo2757239.aspx>  
<http://www.nacion.com/2011-05-16/Mundo/NotaPrincipal/Mundo2746658.aspx>  
<http://www.nacion.com/2011-05-16/Mundo/Relacionados/Mundo2757244.aspx>  
<http://www.nacion.com/2011-05-16/Mundo/Relacionados/Mundo2746673.aspx>  
<http://www.confidencial.com.ni/articulo/3991/dra-yadira-centeno-desmiente-cable-diplomatico-eeuu>  
<http://www.confidencial.com.ni/articulo/3968/pellas-pronostico-a-eeuu-victoria-de-ortega-en-2006>  
<http://www.confidencial.com.ni/articulo/3967/barreto-era-ldquo-fuente-confiable-rdquo-para-eeuu>

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FM AMEMBASSY MANAGUA  
TO RUEHC/SECSTATE WASHDC PRIORITY 4250  
INFO RUEHZA/WHA CENTRAL AMERICAN COLLECTIVE PRIORITY  
RHEHNSC/NSC WASHINGTON DC PRIORITY  
RUEAIIA/CIA WASHDC PRIORITY  
RHEFDIA/DIA WASHINGTON DC PRIORITY  
RUEHLMC/MILLENNIUM CHALLENGE CORP WASHDC PRIORITY  
RUMIAAA/CDR USSOUTHCOM MIAMI FL PRIORITY  
RHBPCOM/USNS COMFORT PRIORITY  
RHBVJPX/COMPHIBRON SIX PRIORITY  
RHBPCOM/MEDTRE FAC COMFORT PRIORITY

C O N F I D E N T I A L SECTION 01 OF 03 MANAGUA 000599

SIPDIS

STATE FOR WHA/CEN

E.O. 12958: DECL: 06/15/2019  
TAGS: [PGOV](#) [PREL](#) [ECON](#) [EAID](#) [NU](#)  
SUBJECT: ORTEGA RESPONDS TO MCC CANCELLATION

REF: A. MANAGUA 580  
[1](#)B. MANAGUA 425

Classified By: Ambassador Robert J. Callahan, for reasons 1.4(b) & (d)

[1](#)1. (SBU) Summary: Responding to the decision of the Board of the Millennium Challenge Corporation (MCC) to partially terminate Nicaragua's compact assistance, President Daniel Ortega accused the USG of using aid programs to interfere in Nicaragua's internal affairs and promote its own political agenda abroad. Ortega repeatedly compared President Obama to President Reagan when President Reagan cut assistance to Nicaragua in 1982. He also claimed that the capitalist system of foreign aid distribution practiced by the developed world was flawed and should be replaced. Essentially, the USG and those like it will always put their own interests ahead of aid recipients' needs. Ortega announced the establishment of a Venezuelan funded aid program (ALBA-Solidaria) to fund projects that the MCC had "abandoned." The most radical response to the MCC decision came from the President of the Supreme Electoral Council, Roberto Rivas, whom demanded that the Ambassador be expelled from Nicaragua. Despite Ortega's comments, remarks from the broader Nicaraguan society, including the local leaders of the Catholic Church, showed a sympathetic understanding of the decision. End Summary.

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Ortega Responds - More Threats of Expulsion  
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[1](#)2. (SBU) At the sixth summit of Petrocaribe leaders on June 13, President Daniel Ortega used the forum to speak publicly against the MCC decision to partially terminate Nicaragua's compact assistance. President Ortega labeled the decision a flagrant attempt on the part of the USG to try and gain political leverage within Nicaragua and diminish the sovereignty of the Government of Nicaragua (GON). Claiming that the USG and other developed nations have never fully lived up to their promises for aid, Ortega likened USG assistance to a "carrot and a stick." Through foreign aid, Ortega claimed that the USG attempted to enact political change within a sovereign nation. The goal of USG aid, he continued, was not to alleviate extreme poverty and improve infrastructure, but rather to reward or punish its recipient government. In his speech, Ortega accused the USG of continually providing aid to three corrupt neo-liberal regimes prior to his Sandinista National Liberation Front (FSLN) party regaining power. He said the MCC made its decision simply because of "the victory of the FSLN in November's municipal elections." Ortega said the USG was essentially meddling in internal politics and acted as an

interventionist power in Nicaragua.

13. (SBU) President Ortega concluded his remarks at the forum stating that the United States was, and always would be, an expansionist power. It is in the USG's nature to seek dominance over its neighbors because of its "capitalist philosophy." He expressed that he had hoped things would change as President Obama entered the Oval Office; however, he had since realized that Obama was still the president of "an empire, and that empire has its rules." Ortega proceeded to refer to Obama as a modern day Reagan and dismissed the MCC decision as a product of the USG's capitalist system of aid distribution.

14. (SBU) On June 13 Ortega called an FSLN party rally in Managua. In his speech, Ortega accused the Embassy of meeting with enemies of the GON, called this a "crime", and threatened expulsion on Embassy personnel stating his government was "gathering information, and when the time is right, we will take the necessary measures." (Note: this is not the first time Ortega has threatened expulsion of Embassy personnel. See ref B.) Some FSLN leaders have made explicit calls for the expulsion of the Ambassador and other Embassy personnel. Supreme Electoral Council President Roberto Rivas said the Ambassador's June 11 press conference, in which he stated fraud was evident in the November municipal elections and should be corrected, was "the most absurd, degrading, bold, and insolent violation of minimal norms of diplomatic behavior." Rivas said that in any other country such behavior would be rewarded with expulsion. Human Rights Ombudsman Omar Cabezas said, "the government can no longer

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maintain diplomatic relations with people so primitive, people in such violation of human rights, because to drop (the MCA) is a violation of human rights." Some FSLN leaders, nonetheless, have taken another approach. Supreme Court Vice-president Rafael Solis noted that it is more important for the GON to overcome its differences with the USG rather than make things worse.

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Friends Got Your Back?  
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15. (SBU) Ortega has tried to assuage the Nicaraguan people by assuring them that Venezuelan aid will pick-up right where the MCC left off. In his Petrocaribe speech, Ortega said, "It is time for United States policy to change, once and for all; it is time for developed nations to follow the Venezuelan example, to contribute to development, to contribute to the fight against poverty, to win the fight against hunger, to win the fight against unemployment, and to contribute without conditions." Venezuelan President Hugo Chavez was in attendance at that summit and said that Venezuela would stand by Nicaragua. Chavez called the MCC decision a crime and pledged, "the least we can do for Nicaragua is to modestly support some of these programs, so that Nicaragua is not without highways and agricultural programs."

16. (SBU) At the June 13 FSLN party rally in Managua, President Ortega announced the formation of the Venezuelan assistance program "ALBA-Solidaria." The new program would consist of grants provided by the Venezuelan-led Alternativa Bolivariana para los Pueblos de Nuestra America (ALBA). (NOTE: It remains unclear if this ALBA assistance would be in the form of grants, loans, or some other kind of assistance.) Ortega said that these funds would be put toward continuing projects left behind by the MCC. Ortega introduced the program as a way to "confront the blackmail politics of the empire." Chavez committed \$50 million to Nicaragua through the ALBA-Solidaria Fund.

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Media and Civil Society Reaction  
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17. (SBU) Major Nicaraguan media continued to positively report on the Ambassador's press conference regarding the MCC decision (ref A). "El Nuevo Diario" (center-left national daily) mocked the GON's defense and printed a story under the headline, "This act was blackmail." The headline referred to a statement issued by Vice Foreign Minister Valdrack Jaentschke and drew attention to the stubbornness of the FSLN in refusing to discuss the November elections because the "FSLN government had demonstrated with 'total clarity and transparency' the electoral process." "La Prensa" (center-right national daily) ran a story under the headline, "They do not believe Chavez can replace the MCC." The article read, "Every one knows that it is a lie that Chavez's funds will benefit the people. These funds are to finance...and privilege Ortega's supporters and to benefit the businessmen related to Ortega's family."

18. (SBU) The media also reported the reaction of Nicaragua's leaders of the Catholic Church. Bishop Abelardo Mata of Matagalpa said the Ortega administration did not think about the people's interests and needs, instead it acted with arrogance in not reviewing the results of the last electoral process. Bishop Bernardo Hombach of Granada said that what was more disappointing than the loss of the MCC funds was the reason for the MCC's decision. "There was fraud," Hombach stated, "the Church has said it clearly." Bishop Bosco Vivas of Leon lamented the MCC decision and did not think that aid should be conditioned. He said, however, that Ortega did not respond to the will of the majority and as such he is ultimately at fault for the people's loss.

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Comment  
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19. (C) As expected, in responding to the MCC decision, Ortega blamed the USG for its "inherent political undertones" in the distribution of USG foreign assistance. At the same

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time he announced his plan to replace the funds lost from the MCC with Venezuelan assistance. His comments on President Obama and threats to expel the Ambassador suggest Ortega is willing to further distance himself from the USG and strengthen his relationship with Hugo Chavez, a move that will surely affect the Nicaraguan people for the worse in the long-run.  
CALLAHAN